

Lexington, Kentucky June 16, 2005

The Council of the Lexington-Fayette Urban County Government convened in special session on June 16, 2005 at 5:00 p.m. Present were Mayor Teresa Ann Isaac in the chair presiding, and the following members of the Council: Council Members Ellinger, Farmer, Gorton, Lane, McChord, Moloney, Myers, Scanlon, Shafer, Stevens, Wigginton and Cegelka. Absent were Council Members Stinnett, Brown and DeCamp.

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An Ordinance submitting to the voters of the Lexington-Fayette Urban Co. Govt. at the next regular election, pursuant to the statutes and laws of the Commonwealth of KY and the Charter of the Lexington-Fayette Urban County Government, the question of the passage of an Ordinance authorizing and directing the Lexington-Fayette Urban Co. Govt. to purchase by the most cost effective and reasonable means, including by the exercise of the right of eminent domain, (1) all the real and personal property of KY-American Water Co. located within Fayette County, KY and (2) all the real and personal property of KY-American Water Co. located within Jessamine, Woodford, Scott, Harrison, Bourbon, and Clark Counties, KY, which is a part of the same integrated water supply and distribution system that provides water service to residents of Fayette Co., provided, however, that the Government shall not be required to purchase said assets if the cost of the assets cannot be repaid in a commercially reasonable manner solely from the revenues generated from the operation of the assets, and to issue its bonds, bond anticipation notes, and other financing instruments for the purpose of paying the costs of the acquisition and acquisition proceedings; authorizing and directing appropriate officials of the Government to take any and all further action and execute and deliver all documents reasonably necessary to effectuate the purpose of this Ordinance; authorizing and directing the Council to adopt an Ordinance creating a water authority to operate and manage the assets of the water company; and finding that acquisition of the said assets is necessary for the intended public uses of (1) establishing a municipally-owned water utility for the primary purpose of supplying the Government and its inhabitants with water and (2) providing parkland to the Government and its inhabitants; directing the Council Clerk to transmit a copy of this Ordinance to the Fayette County Clerk for the insertion of the question of the passage

of said initiated Ordinance on the ballot at the next regular election; and directing the Council Clerk to publish said initiated Ordinance pursuant to KRS Chapter 424 before the election was on the docket for first reading.

Mr. Scanlon made a motion, seconded by Mr. Farmer, to amend the Ordinance as follows: (1) Amending the first whereas to insert in the second line between the words “petition” and “signed” the phrase “purported to be”.

Ms. Gorton asked Mr. Scanlon to further explain the motion.

Mr. Scanlon made a motion, seconded by Mr. Cegelka, to amend the Ordinance as follows: (2) Amending the second whereas to state: WHEREAS, on June 14, 2005 at a special meeting, the Urban County Council by a vote of six (6) ayes and nine (9) nays failed to adopt said initiated ordinance; (3) Amending the first section 1 to state: That the following initiated ordinance shall be transmitted to the Fayette County Clerk pursuant to Section 12.04 of the Charter of the Lexington-Fayette Urban County Government and KRS 67A.060(2) and 89.610 for the purpose of taking all necessary and appropriate legal steps pertaining to said initiated ordinance; (4) Amending the second section 2 to state: The Council Clerk is hereby authorized and directed to deliver a copy of this Ordinance to the Fayette County Clerk and to publish said initiated ordinance pursuant to KRS Chapter 424. A copy of the petition and initiated ordinance is attached hereto and made a part hereof by reference; and (5) And amending the title of the Ordinance accordingly.

The Council asked Mr. Scanlon, Mr. Farmer, and Mr. David Holmes, Commissioner of Law, to further explain the proposed amendments and the reasons for them.

The motion passed by the following vote:

Aye: Ellinger, Farmer, Gorton, Lane, McChord, Moloney, Myers, Scanlon,
Shafer, Stevens, Wigginton, Cegelka ----- 12

Nay: ----- 0

An Ordinance transmitting to the Fayette County Clerk pursuant to Section 12.04 of the Charter of the Lexington-Fayette Urban County Government and KRS 67A.060(2) and 89.610, for the purpose of taking all necessary and appropriate legal steps, a voter initiated Ordinance pertaining to the question of the passage of an Ordinance authorizing and directing the Lexington-Fayette Urban County Government to purchase

by the most cost effective and reasonable means, including by the exercise of the right of eminent domain, (1) all the real and personal property of KY-American Water Co. located within Fayette County, KY and (2) all the real and personal property of KY-American Water Co. located within Jessamine, Woodford, Scott, Harrison, Bourbon, and Clark Counties, KY, which is a part of the same integrated water supply and distribution system that provides water service to residents of Fayette Co., provided, however, that the Government shall not be required to purchase said assets if the cost of the assets cannot be repaid in a commercially reasonable manner solely from the revenues generated from the operation of the assets, and to issue its bonds, bond anticipation notes, and other financing instruments for the purpose of paying the costs of the acquisition and acquisition proceedings; authorizing and directing appropriate officials of the Government to take any and all further action and execute and deliver all documents reasonably necessary to effectuate the purpose of this Ordinance; authorizing and directing the Council to adopt an Ordinance creating a water authority to operate and manage the assets of the water company; and finding that acquisition of the said assets is necessary for the intended public uses of (1) establishing a municipally-owned water utility for the primary purpose of supplying the Government and its inhabitants with water and (2) providing parkland to the Government and its inhabitants; directing the Council Clerk to deliver a copy of this Ordinance to the Fayette County Clerk; and directing the Council Clerk to publish said initiated Ordinance pursuant to KRS Chapter 424 was given first reading as amended.

The ordinance was ordered placed on file for public inspection until a Special Meeting to be held on June 17, 2005 at 3:00 p.m.

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The Council adjourned at 5:20 p.m.

Clerk of the Urban County Council